

110TH CONGRESS
1ST SESSION

H. R. 824

To amend the Internal Revenue Code of 1986 to classify ethanol and biodiesel refining property as 7-year property for purposes of the accelerated cost recovery system.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2007

Mr. WELLER of Illinois introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to classify ethanol and biodiesel refining property as 7-year property for purposes of the accelerated cost recovery system.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 7-YEAR DEPRECIATION OF ETHANOL AND BIO-**
4 **DIESEL REFINING PROPERTY.**

5 (a) IN GENERAL.—Subparagraph (C) of section
6 168(e)(3) of the Internal Revenue Code of 1986 (relating
7 to 7-year property) is amended by striking “and” at the
8 end of clause (iv), by redesignating clause (v) as clause

1 (vi), and by inserting after clause (iv) the following new
 2 clause:

3 “(v) any ethanol or biodiesel refining
 4 property.”.

5 (b) ETHANOL OR BIODIESEL REFINING PROP-
 6 erty.—Section 168(i) of such Code is amended by adding
 7 at the end the following new paragraph:

8 “(18) ETHANOL OR BIODIESEL REFINING
 9 PROPERTY.—The term ‘ethanol and biodiesel refin-
 10 ing property’ means—

11 “(A) property used to produce biodiesel (as
 12 defined in section 40A(d)(1)), and

13 “(B) property used to produce ethanol
 14 other than from petroleum, natural gas, or coal
 15 (including lignite).”.

16 (c) ALTERNATIVE DEPRECIATION SYSTEM.—The
 17 table contained in section 168(g)(3)(B) of such Code (re-
 18 lating to special rule for certain property assigned to class-
 19 es) is amended by inserting after the item relating to sub-
 20 paragraph (C)(iv) the following new item:

“(C)(v) 7”.

21 (d) ALTERNATIVE MINIMUM TAX.—Subparagraph
 22 (B) of section 56(a)(1) of such Code is amended by strik-
 23 ing “section 168(e)(3)(C)(iv)” and inserting “clause (iv)
 24 or (v) of section 168(e)(3)(C)”.

1 (e) EFFECTIVE DATE.—

2 (1) IN GENERAL.—The amendments made by
3 this section shall apply to property placed in service
4 after the date of the enactment of this Act.

5 (2) EXCEPTION.—The amendments made by
6 this section shall not apply to any property with re-
7 spect to which the taxpayer or a related party has
8 entered into a binding contract for the construction
9 thereof on or before such date, or, in the case of
10 self-constructed property, has started construction
11 on or before such date.

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